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Yugoslavia: Prospects for Nuclear Power DevelopmentSummary

The future of nuclear energy in Yugoslavia, once bright, is now uncertain. Growing and unusually broad-based anti-nuclear sentiment has forced Belgrade to put on hold plans to build several nuclear plants, including one at Prevlaka near Zagreb on which US and other foreign firms are bidding. While the Yugoslavs recently accepted Prevlaka bids, they have also announced that no decision will be made until after the federal government reassesses the country's energy needs. We believe that the chances are now better than even that the government will favor Prevlaka. But we believe that the study will be lengthy and politicized and that a positive decision could cause new controversy among both the leadership and the public, endangering Prevlaka's ultimate prospects.

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Current Status

Yugoslavia's nuclear power development program, in particular plans to build its second nuclear plant at Prevlaka near the Croatian capital of Zagreb, has been sidetracked but not derailed. Pro-nuclear forces, previously virtually unchallenged, have suffered serious setbacks. Several regional bodies have eliminated or postponed commitments to nuclear plants. Moreover, the issue has been bucked up to the federal level, where a special new commission reportedly has been formed to reexamine nuclear power in the context of the country's longer term energy development plans. Premier Branko Mikulic and top leadership bodies in recent weeks have indicated that no plants will be approved until the government finishes its study. []

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Nonetheless, the program is far from dead. The nuclear lobby remains a potent force, relatively few top officials have rejected the nuclear option, and the review of bids and other preliminary work for Prevlaka is continuing. Mikulic has noted that one of the purposes of the commission, which has set no timetable, is to provide a cooling off period. Moreover, although specific mention of Prevlaka has been dropped from the relatively flexible regional five-year plans, a complex series of agreements between federal and regional governments, utilities, and industrial organizations to build the plant remain intact.

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Prevlaka itself was to be the first of a four-unit series of 1000 Megawatt plants--following the opening in 1982 of the country's first 664 Megawatt plant built by Westinghouse in Krsko, Slovenia--with the possibility of an eventual seven to eleven plants nationwide. The \$2.5 billion Prevlaka plant was planned to be built by a consortium of utilities from Croatia, Slovenia, and possibly Vojvodina. Construction was originally slated to begin in mid-1988 with commercial output beginning in 1995, but that timetable has continued to slip. Bidders include firms from the US, France, Great Britain, West Germany, Canada, Japan, and the USSR. The Yugoslavs have stressed that an attractive financial package--including countertrade, technology transfer, and opportunities to participate in future joint nuclear projects abroad--would be key factors in determining who is awarded the contract. []

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Pro-Nuclear Lobby

If Prevlaka is approved, it will be thanks to a hard core of pro-nuclear officials motivated by both conviction and self-interest. They consist of scientists, academics, and even more vocally and visibly, regional and federal energy officials, utility officials, and industrial organizations producing power equipment. They tend to draw their strength from three common arguments:

- o Yugoslavia is an energy deficient and import dependent country with no viable domestic long term energy alternatives to nuclear power.
- o The decision to develop nuclear power has been legitimized through a series of accords between regions, industries, and various layers of government--in keeping with the country's traditional system of economic decisionmaking--and verified through national economic programs based on economic and scientific analysis.
- o The successful operation of the Krsko plant demonstrates the safety, reliability, and efficiency of nuclear power.

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Though recently thrown on the defensive, pro-nuclear officials employ hard-hitting charges in rebutting their critics. They argue that safety and environmental concerns often have been used as a smokescreen by groups motivated more by political or economic interests. They maintain that those regions not slated for nuclear plants, mostly in the poorer south, are simply jealous or fearful that the country's limited capital must by necessity be committed to selected republics. They accuse opponents and the press of spreading grossly inaccurate data concerning cost and safety, trying to create an atmosphere of hysteria. Some even suggest that anti-nuclear forces are supported by multinational oil companies and foreign intelligence services.

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Circumstantial evidence suggests that nuclear advocates and their sympathizers may be more numerous than their current visibility suggests. Anti-nuclear activists continue to characterize them as a strong and determined force. Few advocates have been known to retract their commitment to nuclear power in the face of the protest wave. Many prominent officials who could have made political capital with anti-nuclear statements have not done so. And support for increased energy

supplies from any sources could increase if a hard winter approaches and utility companies resort to electricity brownouts.

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Anti-Nuclear Forces

The pro-nuclear lobby, however, faces a formidable opponent in the form of growing and unusually broad-based anti-nuclear sentiment. The success of anti-nuclear forces in gaining such a reassessment of an official policy already is unprecedented in recent Yugoslav history and has broader implications for the normally elite-dominated decisionmaking process.

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Anti-nuclear agitation in itself is nothing new and even has scored some past successes. The decision to locate the current plant at Prevlaka, for instance, came about only after plans to build it on the Adriatic Coast near Zadar were upset in 1979. Local officials maintained a reactor would threaten the area's tourism industry. Opposition to nuclear power was strong and growing even before the Chernobyl' accident. Nonetheless, Chernobyl' gave anti-nuclear forces important new impetus, especially when the regime ordered--and the media publicized--preventive measures against radioactive fallout affecting most of Yugoslavia.

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Several common themes run through Yugoslav anti-nuclear sentiment, cutting across the diverse, so far largely uncoordinated pressure groups. One is that new nuclear plants are financially unsound. Critics argue that building four new plants would double the country's \$20 billion foreign debt and compromise the nonaligned country's economic and political independence. They assert that foreign credits to build even the Krsko plant so far have not been repaid, only rescheduled. Another is that they are unnecessary, since the country purportedly has sufficient untapped alternative domestic coal and water resources. And especially since Chernobyl' there has been a growing belief that they pose a real threat to the public's safety and the environment.

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Following are some of the key anti-nuclear pressure groups and outlines of their motives and impacts:

Regional Interest Groups: While nuclear energy planning ostensibly is done on a nationwide basis, in practice the individual regions have a big say and at least several of them have cause to be unsupportive of, or even antagonistic to, Prevlaka. Their opposition may be able to override Croatian

support within the federal government commission. Serbia, Kosovo, and Premier Mikulic's home republic of Bosnia-Herzegovina each have substantial untapped coal resources of their own and a vested interest in further developing alternative energy sources in their own regions. Prominent Serbian officials Dusan Ckrebic and Nikola Ljubcic in recent weeks have criticized new nuclear plants as unneeded or a form of "economic separatism" by the autonomy-minded northern regions. Even Slovenia, a junior partner in Prevlaka, is only lukewarm about the project, US diplomats have reported. []

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Youth Groups: Official youth groups in some republics have been among the most outspoken and visible opponents of nuclear energy. They probably believe it a cause on which they can exert influence, which politically is a relatively safe way to let off steam, and which may be in vogue enough to increase their popularity and credibility among the normally apathetic youth. Anti-nuclear youth sentiment has been strongest in Slovenia, the country's most Westward-looking and tolerant republic. In May several hundred Slovene youth demonstrated against nuclear power plant construction and demanded Soviet compensation for Chernobyl'. At a congress of Croatia's normally staid youth organization, members protested a lack of democratic procedures in deciding on nuclear plants, and, according to a Zagreb magazine on 8 July, some later formed an ecological splinter group. Youth from both Croatia and Slovenia, in a rare move toward interregional cooperation, discussed the possibility of staging sit-in protests at Prevlaka, the Croatian press recently reported. Petitions among Serbian youth have garnered 70,000 signatures, a near-record on any issue. []

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Military: Some evidence suggests the military has reservations about nuclear power. The military, which has long voiced complaints about its own funding, is an influential pressure group with representatives on top party bodies. A military commentator as early as March aired concern that nuclear plants would make Yugoslavia more dependent on big powers and could be vulnerable to attack even from small Balkan neighbors.

[] nuclear opponents have turned to the military to mediate the issue, presumably because they believe it is more sympathetic to their cause, although he added that the military had no intention to play such a role. And Serbia's Ljubcic, who has spoken against nuclear power, is a former defense minister with ties to the military establishment. []

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Veterans: The veterans, a conservative and even more vociferous pressure group that sometimes reflects mainline

military thinking, called for the suspension of all new nuclear plants at a congress this June. Individual delegates--including some from Croatia--protested a lack of public voice on nuclear planning, warned that Yugoslavia could become a nuclear waste disposal dump, and questioned whether the technology offered was outmoded. []

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Scientific Community: The experts themselves seem sharply divided over the safety and appropriateness of nuclear plants. Critics have argued, like some veterans, that the plants will be technologically obsolete and that planned governmental regulatory oversight will be inadequate. A media report on 19 June indicated that of 30 petitions with several thousand signatures recently sent to leadership bodies, many of the signatories were scientists, engineers, and researchers. []

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Public at Large: Public opinion, a still subordinate but growing force in Yugoslav politics, seems strongly opposed to nuclear power. A public opinion poll taken at about the time of Chernobyl' found 75 percent of adult respondents nationwide believed nuclear plants are unnecessary, and an "absolute majority" asserted that they are environmentally more threatening than other power plants. In Croatia, several communities have already objected to being considered as nuclear waste dump sites, and Zagreb health authorities have urged a moratorium on plant construction. []

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The Media: Some of the country's increasingly freewheeling media have seized on nuclear power to sell papers and mold opinion. The press gave extensive, largely unvarnished coverage to the Chernobyl' disaster and has reported openly and often sympathetically on the views of nuclear opponents. []

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Courts: The nuclear program may hit a snag from the country's Constitutional Court, which a 2 July media report said has begun to examine constitutional and legal aspects of nuclear plant construction to determine whether the issue falls within its competence. The same court flexed its muscle, and touched off a heated legislative battle, last year when it ruled unconstitutional another established government policy, on foreign exchange. The court action was probably at least partly the result of political pressures. []

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Outlook

We believe that the leadership is now playing for time, hoping that anti-nuclear sentiment eventually will subside and

that a decision on Prevlaka, pro or con, can be made on practical economic and other grounds. At this point, we rate the odds at better than even that the government will recommend in favor of Prevlaka. However, we do not expect a decision any time soon--almost certainly not this year--and believe the process could be highly politicized. We also think it unlikely that the three other plants will be built. []

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We believe that a number of variables could change in the coming months and undermine Prevlaka's chances. The process of decisionmaking itself is in flux, with the ability of elites to disregard public opinion increasingly in doubt. The country's financial picture also could turn suddenly for the worse, jeopardizing Belgrade's ability to finance any ambitious new projects. Moreover, it is unclear whether memories of Chernobyl' will soon dim or whether anti-nuclear sentiment will gain momentum and even coalesce into some kind of coalition. []

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Even if government bodies eventually decide in favor of Prevlaka, they may not have the final word. The decision could turn into a major point of contention within the leadership, pitting Croatia against other republics. Moreover, it could spark increasingly serious public protests, demonstrations, and sit-ins that the regime may have difficulty controlling. []

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